

Opening Statement of the Honorable Fred Upton
Energy and Commerce Full Committee Markup of
Committee Prints: Proposed Matters for Inclusion in Reconciliation
Recommendations, the Gasoline Regulations Act of 2012, and the
Strategic Energy Production Act of 2012
April 24, 2012
(As Prepared for Delivery)

This week, we will consider three committee prints as part of the House's effort to do something we all know needs to be done: fulfill our commitment to cut spending and move the federal government's budget in a more responsible direction.

The budget resolution adopted by the House last month instructed six committees to propose changes to law to generate mandatory savings under a process known as reconciliation. This committee was given the largest task of finding \$96.8 billion over 10 years.

This reconciliation effort is designed to replace the blunt instrument known as the sequester included in the Budget Control Act. Unless we propose more thoughtful savings, this sequester will cut discretionary spending indiscriminately while shielding the lion share of the government's budget, mandatory spending, from reductions.

Members from across the political spectrum should be deeply concerned if the sequester is triggered. Critical priorities that we all share, such as research at the National Institutes of Health and FDA review and inspection budgets, are on the chopping block while entitlement programs that threaten to derail the long-term solvency of the United States are left largely untouched.

The sequester also threatens the men and women of the United States armed forces. It disproportionately cuts our military and threatens our long-term defense posture. The Chairman of the Joint Chiefs of Staff stated that sequestration will lead to a "hollow force." Chief of Staff to the United States Army, Ray Odierno, declared that "cuts of this magnitude would be catastrophic to the military" and "the nation would incur an unacceptable level of strategic and operational risk."

The committee prints before us will help avoid a draconic sequester that will harm our military capacity and achieve savings where they are needed the most – in our nation's growing entitlement apparatus.

Title I achieves savings by cutting several newly created slush funds contained in the President's health care law.

Title II makes common-sense changes to the Medicaid program. Among other reforms, the committee print eliminates the Medicaid maintenance of effort requirement. This federal mandate impedes states' ability to implement program integrity measures, and actually weakens the safety net by making it more difficult to target resources on the most vulnerable Americans in the respective states.

Title III of our bill achieves savings by including a measure noticeably absent from the president's health care law – real medical liability reform that truly lowers health care costs. The common-sense tort reforms included in our package will help end frivolous lawsuits,

end the practice of defensive medicine, and save taxpayers over \$60 billion in the next decade.

I'm glad to report that the committee reconciliation recommendations will achieve over \$114 in billion in savings over the next decade and exceed the budget resolution's instructions by \$17 billion.

The committee's reconciliation recommendations offer a credible alternative path that will help fulfill our commitment to reduce spending.

While reconciliation is the first order of business this week, I'd also like to speak briefly about the bills we have developed to address factors that contribute to the high price at the pump. We have before us the Gasoline Regulations Act and the Strategic Energy Production Act – a pair of measures that address the two critical issues of regulatory costs and long-term supplies.

Gasoline prices appear to be stabilizing at the moment, and that's good news. But we all know a natural disaster or overseas conflict could send prices skyrocketing almost overnight. On top of which, paying nearly \$4 a gallon is hardly affordable for struggling families and small businesses working hard to fuel an economic recovery. We cannot become complacent on these issues, and we cannot ignore federal policies that make energy less affordable and accessible.

Reconciliation will help put us on the path toward a more sound fiscal future, while our energy solutions will help lead toward a brighter energy future. I look forward to advancing all of these measures through the committee.

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